

## Phase

[Initial Written Assessment](#)[Definition Procedure](#)[Assessment Procedure](#)[Report Phase](#)[Implementation](#)

## P399 'Making the identity of balancing service providers visible in the Balancing Services Adjustment Data'

This Modification seeks to identify counterparties to bilateral trades between the NETSO and non-Balancing Mechanism (BM) Balancing Service Providers. By providing this additional data in the Balancing Services Adjustment Data (BSAD) notifications the Proposer aims to increase transparency and clarity in the electricity market.



The BSC Panel recommends **approval** of P399



The BSC Panel **does** believe P399 impacts the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the BSC

This Modification is expected to impact:

- Balancing Mechanism Reporting System (BMRS) Users
- BSC Parties
- Generators
- Interconnector Users
- Virtual Lead Parties
- National Electricity System Operator (NETSO)
- Balancing and Settlement Code Company (BSCCo)

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### Contact

**Craig Murray**

020 7380 4201

[BSC.change@elexon.co.uk](mailto:BSC.change@elexon.co.uk)

[Craig.Murray@elexon.co.uk](mailto:Craig.Murray@elexon.co.uk)



## About This Document



Not sure where to start? We suggest reading the following sections:

- Have 5 mins? Read section 1
- Have 15 mins? Read sections 1, 9 and 10
- Have 30 mins? Read all except section 6
- Have longer? Read all sections and the annexes and attachments

This is the P399 Final Modification Report, which Elexon has submitted to the Authority on behalf of the BSC Panel. It includes a summary of the Workgroup's assessment, the Panel's full views and the responses to the Workgroup's Assessment Consultation and both Report Phase Consultations. The Authority will consider this report and will decide whether to approve or reject P399.

There are six parts to this document:

- This is the main document. It provides details of the solution, impacts, costs, benefits/drawbacks and proposed implementation approach. It also summarises the Workgroup's key views on the areas set by the Panel in its Terms of Reference, and contains details of the Workgroup's membership and full Terms of Reference.
- Attachment A contains the draft redlined changes to the BSC for P399.
- Attachment B contains the approved Business Requirements for P399.

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- Attachment C contains the full responses received to the Workgroup's Assessment Procedure Consultation.
- Attachments D-E contain the full responses received to both Report Phase Consultations.

### What is the Issue

Balancing Service Adjustment Data (BSAD) does not currently identify the parties that provide Balancing Services Adjustment Actions to the National Electricity Transmission System Operator (NETSO). This leaves parties that bilaterally trade with NETSO outside the Balancing Mechanism (BM) anonymous. This asymmetry of information gives the party involved a competitive advantage, limiting effective competition. Further, trades conducted within the BM are not anonymous therefore there is unnecessary inconsistency between BM and non-BM trades.

### Solution

The Proposed Solution will amend [BSC Section Q 'Balancing Services Activities'](#) to include four new data items as 'Balancing Services Adjustment Data' (and these new fields will be added to the existing BSAD file):

- BSAD Party ID;
- BSAD Asset ID;
- Service type; and
- Tendered status.

The proposed Solution also amends the timeframe for reporting BSAD data to the BMRA. The NETSO's provision of these data items will be sent to the BMRA alongside those data fields already included in the BSAD as specified in Section Q 6.3.2, and published on the Balancing Mechanism Reporting Service (BMRS). The data will be reported by the NETSO to the BMRA as soon as possible, but in any case no later than 60 minutes after the trade has entered the NETSO's systems or non-BM despatch instructions have been sent (in practice this will be within 30 minutes of the closure of the Settlement Period in which those instructions were sent). The Proposed solution also makes minor amendments to Section X-1 to include new definitions.

P399 will amend sub flows 1 and 2 of the Settlement Adjustment Agent (SAA) I014 file (Settlement Report) and the BMRA-I014/SAA-I026 file to include the additional data items.

### Impacts & Costs

BSC Parties, Generators, Virtual Lead Parties, BSCCo and the NETSO will be impacted by P399. All parties that provide Balancing Services outside the BM to the NETSO will have their BSAD Party ID (company identity) and BMU ID (where one is assigned) published on the BMRS. Where an interconnector is used to deliver Balancing Services Adjustment Actions and there is no assigned BMU ID, the name of the person providing the service and the Interconnector used will be published.

Cost Estimates			
Organisation	Implementation (£)	On-going (£)	Impacts
Elexon	240k	0	Systems, documents and processes – 20-22 weeks lead time to implement
NGESO	0.85m – 1.0m	0	Systems and processes – 40 to 50 weeks lead time to implement
Industry	N/A	N/A	N/A
<b>Total</b>	1.1m – 1.25m	0	

## Implementation

The Panel recommends that P399 is implemented on:

- 4 November 2021, if the Authority's decision is received by 20 May 2020; or
- 24 February 2022 if the Authority's decision is received after 20 May 2020 but before 7 October 2021.

This is the first Release in which P399 can be delivered, allowing the realisation of the associated benefits as soon as possible.

## Recommendations

The BSC Panel agreed unanimously that P399 will **better facilitate** Applicable BSC Objectives (a), (b), (c), (d) and (e) compared to the current baseline. The Panel therefore recommends P399 should be **approved** and sent to the Authority for decision.



### What is a Balancing Mechanism Unit (BMU)?

Balancing Mechanism (BM) Units are used as units of trade within the Balancing Mechanism. Each BM Unit accounts for a collection of plant and/or apparatus, and is considered the smallest grouping that can be independently controlled. As a result, most BM Units contain either a generating unit or a collection of consumption meters. Any energy produced or consumed by the contents of a BM Unit is accredited to that BM Unit. Assets that are assigned BMU IDs can also be utilised by the NETSO for services outside the BM.

### Background

#### What is the Balancing Mechanism (BM)?

The Balancing Mechanism (BM) is one of the tools used by the NETSO to balance electricity supply and demand close to real time. It is needed because electricity cannot currently be stored at scale and must therefore be generated at the time of demand. Where the NETSO forecasts that there will be a discrepancy between electricity production and demand during a certain time period, they may accept a 'bid' or 'offer' from a Trading Party to either increase or decrease generation (or consumption). The Balancing Mechanism is used to balance supply and demand in each half hour trading period (Settlement Period) of every day.

The operation of the BM relies on the flow of data and information between the NETSO, Parties with generating assets or Suppliers, organised into Balancing Mechanism Units (BMUs), in real time to ensure the Total System is balanced.

NETSO receive commercial and operational data (also known as dynamic parameters) for each BMU.

This includes

- Final Physical Notifications (FPNs) – the generation or consumption profile of the BMU for each settlement period (30 minutes) of the day;
- Operational data – technical data such as ramp rates i.e. how quickly a BMU can alter its generation or consumption; and
- Bids or Offers – how much the BM participant is willing to pay or be paid by NETSO to increase or decrease their BMU's generation/or consumption by a given amount.

This data is used by the NETSO to inform balancing decisions with the objective of ensuring cost efficiency whilst accounting for system needs and security. All wholesale market participants, Generators and Suppliers (apart from Non-Physical Traders) will register BMUs. These BMUs contain either generating unit(s) or a collection of consumption Meters. After each Settlement Period all energy that is produced or consumed at Meters within a BMU is then used to calculate imbalance (difference between contracted position and metered position) for each Party's energy account. Every trading party has two energy accounts (one production, one consumption). All energy from a demand BMU is assigned to the consumption account (and vice versa).

#### What is BSAD?

Balancing Service Adjustment Data (BSAD) reports any balancing services where the costs are recovered through Balancing System Use of System (BSUoS) charges (i.e. any balancing action taken by the NETSO outside of the BM).

NETSO are required to publish Balancing Service Adjustment Data (BSAD) under Standard [Condition C16 of the Transmission License](#) and BSAD is used as part of the electricity imbalance price calculation specified in [Section T 'Settlement and Trading Charges'](#) (paragraph 4.4) of the Balancing and Settlement Code (BSC). This calculation determines a £/MWh charge for any imbalance.



## What is STOR?

Short-Term Operating Reserve (STOR) is a contracted Balancing Service, whereby the service provider delivers a contracted level of power when instructed by National Grid, within pre-agreed parameters. The main, minimum capability requirements for the service are as follows:

Minimum Contracted MW capability = 3MW.

Contracted MW must be achievable no later than 240 minutes after instruction from National Grid.

Contracted MW must be deliverable for no less than 2 hours.

BM data is used to adjust Parties' imbalance positions so that they are not disadvantaged or penalised for any NETSO instructions that require them to move away from their contracted position. Following the implementation of [P354 'Use of ABSVD for non-BM Balancing Services at the metered \(MPAN\) level'](#) on 1 April 2020, non-BM actions and data are also used to adjust Parties' imbalance positions.

Balancing Service Adjustment Actions (i.e. actions that the NETSO takes outside of the BM to manage the transmission network) that impact the imbalance price may include, but are not limited to, the following balancing actions:

- Non-BM Short Term Operating Reserve (STOR);
- Forward Contracts; and
- Maximum Generation.

Data reported against each trade as described in Section Q paragraph 6.3.2 includes:

- The volume;
- The cost;
- A System Operator (SO) flag;
- A STOR flag; and
- A unique sequential number.

SO-flagged actions are those associated with system management and are therefore removed from the imbalance price calculations.

The inclusion of this information ensures market participants have visibility of the balancing actions NETSO has taken outside of the BM. This data is then sent to the BMRA, where it is published alongside BM data on the [Balancing Mechanism Reporting Service \(BMRS\)](#), as well as being published through the [Trade Reporting page on NETSO's website](#).

## What is the purpose of non-BM bilateral trades?

Not all Parties are able or willing to participate in the BM - typically smaller generators due to prohibitive costs. Further, not all Balancing Services are dispatched through the Balancing Mechanism.

Any relevant balancing service including non-BM Short Term Operating Reserve (STOR) actions, taken outside the Balancing Mechanism, will be provided through BSAD as a Balancing Service Adjustment Action.

Operating in the BM creates additional requirements on Parties over and above those which may be required for non-BM actions. These include metering, communications and data provision to the NETSO, therefore creating additional overhead costs. Commercially, Parties may not feel the extra costs of access to the BM will be offset by the additional potential revenue opportunities access brings. Gaining access to the BM has also been problematic in the past, leading to a [number of industry-wide workstreams](#) to try and open up access. [P344 'Project TERRE'](#) went some way to enabling wider access to the BM. The implementation of P344 was split, with the first stage focused on wider access going live in December 2019. One example of wider access as a result of P344 is the possibility for market participants that could not previously become BSC Parties, to accede to the BSC as

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Virtual Lead Parties (VLPs). [Further detail on Project TERRE and Wider Access can be found here.](#)

## Non-BM dispatch instructions and bilateral trades

There are two main categories of non-BM Balancing Services Adjustment Actions: non-BM dispatch instructions and bilateral trades. Dispatch instructions operate in a similar manner to the BM in that a party is given an instruction during a Settlement Period to increase or decrease generation via specific services (i.e. non-BM STOR and non-BM Frequency Response (FR)). Whether these instructions are given or not depends on the circumstances during the relevant Settlement Period – they are used for responsive services.

On the other hand, bilateral trades are normally agreed well in advance of the relevant Settlement Periods in response to a predictable, specific system need. For example, if the NETSO was aware of an expected spike in demand in Ipswich a week in the future and other means of generation were unavailable, it could agree a trade with a party to deliver energy across the BritNed interconnector to address the shortfall well in advance.

## What is the issue?

When balancing the Transmission Network, the NETSO can call upon a variety of balancing products. Most balancing actions are provided through the BM, but the NETSO also uses services provided by non-BM participants. These non-BM services are procured through bilateral contracts, which limits the data available to other market participants.

Because of this, there is incomplete and unfair distribution of information among market participants because of the anonymised nature of the trading actions taken by NETSO outside of the BM. This anonymity creates a barrier to efficient competition.

Each Balancing Service Adjustment Action within the BSAD is assigned a unique sequential number as required under BSC Section Q. The purpose of this number is to separate and identify each trade made by NETSO. However, this does not identify the party providing the Balancing Service, leaving it anonymous and providing an information advantage to counterparties that bilaterally trade with NETSO through Schedule 7A of the [Grid Trade Master Agreement \(GTMA\)](#) and other routes (such as interconnector trading). For example, those counterparties will know what Balancing Services are required by the NETSO, in what location and under what System conditions. This additional information, unknown by other parties, can give a competitive advantage.

Graph 1 at the bottom of this section and the supporting data in Appendix 1 suggest an increasing volume of actions are being taken outside the BM to manage constraints, which make up a significant proportion of the system operation balancing spend. If the proportion of non-BM actions increases an increasing volume and value of the system operation actions would become less transparent.

Section C16 of the Transmission Licence requires NETSO to operate the Transmission System in a way that does not hamper competition in the market, while ensuring that the operation is done efficiently and transparently.

The current lack of transparency in non-BM actions taken by NETSO when balancing the system does not fully realise these objectives. This Modification would better enhance transparency for market participants, which in turn would facilitate fair competition



between all Balancing Service providers and other market players, ensuring that the system is operated in the most efficient manner possible. The Proposer therefore believes this Modification will ensure NETSO's compliance with 1(b), (e), (g), and (h) of the C16 Statement.

## European Obligations

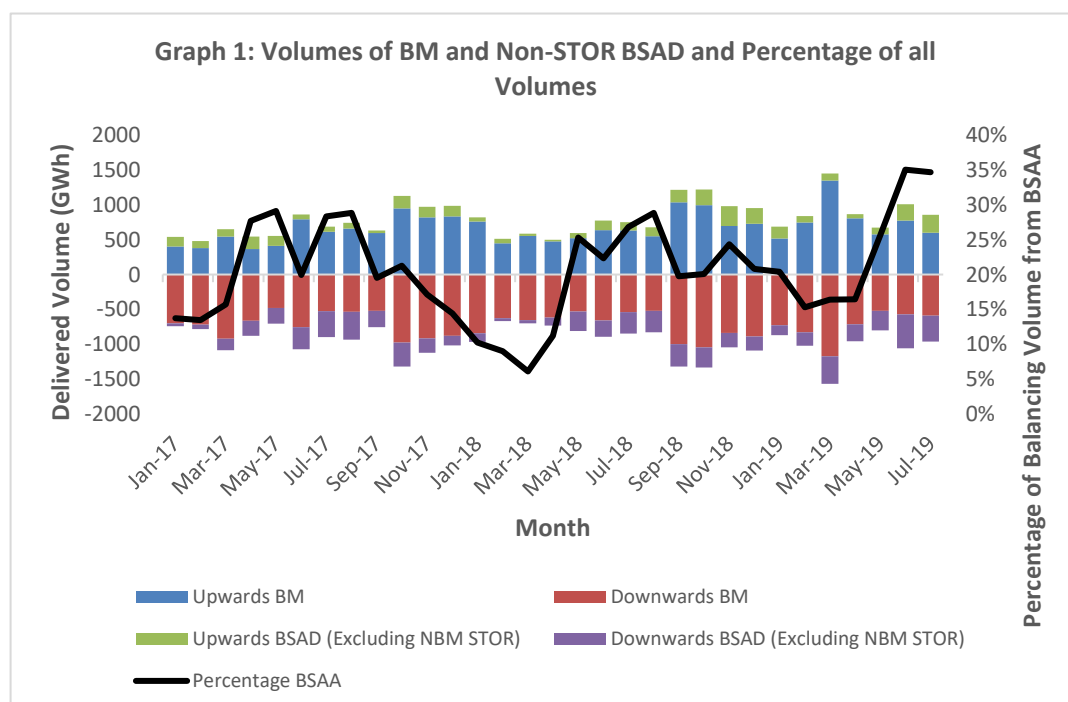
[Article 3\(2\) of the European Balancing Guidelines \(EBGL\)](#) states that relevant National Regulatory Authorities (Ofgem fulfils this role in GB) and System Operators should aim to foster effective competition and transparency in balancing markets. The lack of a clear identifier for counterparties in bilateral trades is in clear opposition to these high-level objectives. Moreover, this Modification ensures NETSO is compliant with its obligations under [Commission Regulation \(EU\) 2017/1485 establishing a guideline on electricity transmission system operation](#) Article 4, in particular the requirement to ensure transparency.

## Supporting Information / Analysis

The Proposer provided the following supporting information.

Graph 1 details extracted upward and downward total BM volumes, non-STOR BSAD volumes (-/+ ) and a calculation of the proportion of BSAD versus total balancing volumes to represent the total BSAD percentage. As the graph shows, the proportion of non-BM balancing actions is significant, thus a lack of transparency in the relevant data creates a potential barrier to efficient competition.

Data transparency will foster greater competition and allow for greater decision making, supporting new and innovative market strategies. Furthermore, improving transparency and equal access to data provides a level playing field for all current and future Market Participants. The data supporting the graph can be found in Appendix 1.



### Proposed solution

The Proposed Solution will amend BSC Section Q to include four new data items as 'Balancing Services Adjustment Data', and these fields will be added to the existing BSAD file (BMRA-I014/SAA-I026):

- BSAD Party ID;
- BSAD Asset ID;
- Service type; and
- Tendered status.

These data items will be sent to the BMRA and published on the BMRS alongside those data fields already published in the BSAD. The new data will be included in sub flows 1 and 2 of the Settlement Adjustment Agent (SAA) I014 file (Settlement Reports). This is to allow those users who wish to access the new data to do so.

#### BSAD Party ID

The BSAD Party ID field will be the full party name where possible. In instances where this cannot be provided a unique identifier will be provided and supplemented by a reference table, to be published and maintained by the NETSO on its website. This reference table will link the unique BSAD Party ID with the name of the legal entity associated with the trade.

Section Q will put an obligation on the NETSO to publish and maintain this table on its website. NETSO will also include a commitment in its annual C16 consultation committing to this.

#### BSAD Asset ID

Where available, the BSC-assigned BMU ID will be used to identify the asset providing the procured service. If the service is delivered using an interconnector and there is no associated BMU ID, this field will be populated with a unique reference assigned by the NETSO that identifies the party providing the service and the interconnector used. This identifier will be referenced in the same lookup table as the BSAD Party ID. If a trade is not associated with an assigned BMU ID or an interconnector, the field will be populated as "N/A" or something of equivalent effect.

#### Tendered Status

The Tendered Status field will be a binary field populated with either "True" or "False" to indicate the status of the trade.

#### Service Type

The Service Type will describe the category of Balancing Service procured. For services instructed via non-BM despatch instructions this field will initially show either 'NON BM

STOR' or 'NON BM FR' (but may show other service types used by the NETSO in the future). For bilateral trades the field will show either 'Energy' or 'System' depending on the purpose of the trade.

## **Publishing the new data**

The data will be reported by the NETSO to the BMRA as soon as possible, but in any case no later than 60 minutes after the trade has entered the NETSO's systems or non-BM despatch instructions have been sent (in practice this will be within 30 minutes of the closure of the relevant Settlement Period in which those instructions were sent). BSAD Data will be published on the BMRS in accordance with timeframes provided in Section V of the Code (in this case, data will be available within 5 minutes after the BMRA receives it from the NETSO). Full details of the Business Requirements can be found in Attachment B.

## **Legal text**

The legal text for the solution can be found in Attachment A.

## 4 Impacts & Costs

This Modification's greatest impact is expected to be on the NETSO and BSCCo, as system changes are required to facilitate the addition, acceptance and publication of the new data fields in the BSAD.

This Modification is anticipated to have a small impact on generators that participate in bilateral trades with the NETSO as the anonymity clauses in their contracts are overridden by the BSC requirement to publish Party and Asset ID.

All market participants and interested parties that use the BSAD data published on BMRS will be impacted by this Modification as the BSAD file will have four new data items added. Market participants that want to understand the new data will also be required to load the supporting spreadsheet published by NETSO on its website.

### Estimated implementation costs of P399

Since the first Report Phase Consultation was issued NETSO's cost estimates have increased by £350-500k, from approximately £500k to between £850k to £1.0m. This is due to costs associated with creating the Salesforce link required to include the 'tendered status' data field. In its impact assessment the NETSO had not included these costs as they were being included in other projects. However, these projects have since been de-scoped and the associated costs would now lie with P399. For Workgroup discussions on this please see Section 6.

Implementation cost estimates			
Organisation	Item	Implementation (£)	Comment
Elexon	Systems	240k	20-22 weeks lead time
	Documents	<1k	
NGESO	Systems	0.85m to 1m	40-50 weeks lead time.
Industry	Systems & processes	None given	No figures provided via consultation
<b>Total</b>		1.1m to 1.25m	Excludes minor industry costs

### Indicative industry costs of P399

Due to the amendment to sub flows 1 and 2 of the SAA-I014 file we expect there to be minor impacts on the market participants that process this file. Consultation responses indicated that these costs are modest and can be accommodated with a relatively small amount of effort. The amendments to the BMRA-I014/SAA-I026 file are not expected to impact industry participants.

The Electricity Market Reform Settlement company (EMRS) will also be impacted by the amendments to sub flow 2 of the SAA-I014 file, with an expected implementation cost of between £40k - £60k and no ongoing costs.

## P399 impacts

Impact on BSC Parties and Party Agents	
Party/Party Agent	Impact
BMRS Users	Interested parties that use the BMRS will be impacted as they will have access to additional data
BSC Parties	Parties' details will be published in BSAD where they made bilateral trades with the NETSO (i.e. BSAD Party ID, BSAD Asset ID).
Generators	
Virtual Lead Parties	
Interconnector Users	

Impact on the NETSO
The NETSO will need to change its systems to allow the publication of the additional data fields in the BSAD. It will also need to publish and maintain the reference table for Party ID information on its website.

Impact on BSCCo	
Area of ELEXON	Impact
Architecture	Architecture will be involved in the development of the system designs based upon the business requirements. This includes a high level Design Passport and a more detailed Solution Architecture for the preferred option. Architecture would also review BSC documentation, detailed design materials and test artefacts.
Analysis and Insight	Internal processes and tools will need to be updated to reflect the additional data fields in the BSAD

Impact on BSC Settlement Risks
No impacts on BSC Settlement Risks are anticipated as this Modification does not impact Settlement.

Impact on BSC Systems and processes	
BSC System/Process	Impact
BMRS/BMRA	Changes to the file structure of the BMRA-I014 (also defined as SAA-I026) and SAA-I014 files will require changes to BMRS so that they can accept and publish the file
SAA	Changes to the file structure of the BMRA-I014 (also defined as SAA-I026) and SAA-I014 files will require changes to SAA so that they can accept and send the file to Parties

Impact on Code	
Code Section	Impact
BSC Section Q 'Balancing Services Activities'	Updated to require the NETSO to provide the additional BSAD data items listed in the Proposed Solution in prescribed timescales; to change to reporting timeframe for BSAD estimates to be sent to the BMRA, and to include an obligation to publish and maintain a BSAD Party ID reference table on its website.
BSC Section X, Annex X-1 'General Glossary'	Updated to include new definitions referenced in Section Q

Impact on EBGL Article 18 terms and conditions
As part of its analysis, Elexon identified that the BSC legal text that P399 seeks to amend (Section Q 6.3.2) constitutes EBGL Article 18 terms and conditions, as listed in BSC Section F 'Modification Procedures' Annex F-2. Elexon believes P399 will support the EBGL Objectives, as it will foster effective competition by providing additional transparency. The Workgroup and Panel unanimously agreed with this assessment and agreed that P399 should also be progressed as an EBGL Change.

Impact on Code Subsidiary Documents	
CSD	Impact
NETA IDD 1	Will be updated to reflect the changes to Section Q if P399 is approved during the implementation phase.
NETA IDD 2	
SAA Service Description (SD) / User Requirement Specification (URS)	
BMRA SD/URS	
Data Catalogues	

Impact on Core Industry Documents and other documents	
Document	Impact
Transmission Licence	The NETSO will publish a statement in the annual C16 Statement consultation committing to the publication and maintenance of the Party ID reference table referenced in the Proposed Solution.

Impact on a Significant Code Review (SCR) or other significant industry change projects
An SCR exemption request was sent to Ofgem on 07 January 2020. Ofgem confirmed that P399 does not impact any ongoing SCRs and should therefore be progressed as an SCR-exempt Modification

### Impact on Consumers

It is anticipated that the additional transparency provided will elicit more efficient competition, therefore leading to lower prices for consumers.

### Impact on the Environment

This Modification is neutral against the net zero target.

### Recommended Implementation Date

The Panel recommends an Implementation Date for P399 of:

- 4 November 2021 if the Authority's decision is received on or before 20 May 2021; or
- 24 February 2022 if the Authority's decision is received after 20 May 2021 but before 7 October 2021.

These are the next available releases taking into consideration the estimated lead times for delivery. As explained in the previous section, the NETSO is confident it can achieve implementation by the November 2021 Release as it has already begun the necessary work.



### What data should be included in the BSAD?

The Workgroup considered what data should be included in the BSAD to better increase transparency and market efficiency. It aimed to include data that would put non-BM trades on an equivalent level of transparency with BM trades whilst keeping the overall number of new items at a minimum to avoid unfeasible costs and lead times. The Workgroup identified the following data items that it felt met these criteria:

- BSAD Asset ID
  - Unique identifier for an asset utilised by the NETSO in a bilateral contract;
- BSAD Party ID;
  - Unique identifier for the party associated with the asset;
- Service Type;
  - Generic tag highlighting the service type utilised (e.g. non-BM STOR, non-BM Frequency Response (FR) etc.)
- Technology Type;
  - Akin to fuel type in the BM and should adopt the same categories;
- Location;
  - Granularity to be determined; and
- Tendered Status.
  - Indication if the service utilised was tendered.

Discussing these data items, the Workgroup Members agreed that BSAD Asset ID and BSAD Party ID would be the minimum data items required to achieve parity with BM trade reporting. It was noted that either of these items alone would not be sufficient to provide transparency – only by pairing the information could the necessary information be inferred. The other data items were seen to be non-essential but would add value to reporting.

The Workgroup considered how the additional data would be reported (i.e. via one file or across multiple files and locations). It was noted that the BM does not include all this information in one file and so this would go above and beyond aligning the two, but noted it would be better to have it all in one file, as it is less work to fetch and process one file.

### Confidentiality considerations

Members expressed concerns with confidentiality clauses in bilateral contracts held by parties. They questioned whether there may be a conflict between BSC requirements to publish certain information about parties providing non-BM Balancing Services (who are not BSC Parties), and contractual requirements of confidentiality. After seeking advice, the NETSO confirmed that this data could be provided if P399 was approved, as the BSC obligation would override any confidentiality clauses within the bilateral contracts in respect of the information proposed to be included in BSAD.



#### What is tendered status?

Non-Tendered balancing Services are either Mandatory Services provided as part of a Connection agreement or Bilateral Contracts between parties and the NETSO where there is a specific locational need for a Balancing Service or only specific Parties can provide that Service. Tendered Services are where the NETSO indicate a requirement to the Market and the Market offer their services via a Tender.

## NETSO's Initial Impact Assessment

The NETSO considered the costs and lead times associated with including all data items identified by the Workgroup. The expected cost and lead times given were £2.2m over a period of 30 weeks. Given the scheduling of other IT projects, it would likely take 2-3 years to deliver the change. The Workgroup did not believe these costs were proportionate to what P399 was trying to achieve. However, the NETSO highlighted that the costs were being driven by the need to utilise several systems, which are currently not integrated.

Some of the data items requested would be simpler and cheaper to deliver than others as they already exist in NETSO's dispatch systems and could be included in existing integration with Elexon (i.e. via BSAD). These data items are:

- BSAD Asset ID;
- Service type; and
- Tendered Status.

The other data items (party ID, technology type, location) are stored in 'prequalification' systems (Salesforce). In order to provide these items in BSAD, the prequalification system would have to be integrated with the dispatch systems. This would be a slow and expensive process.

The Workgroup agreed that the costs associated with the integration of the systems was not worth over £2 million. This excluded location, technology type and party ID from the P399 solution. However it noted that party ID is an essential data item for the purposes of the Modification. One of the main justifications for raising P399 was the inability to identify geographical constraints so the Proposer argued that any identifier should be able to determine the location of assets utilised by the NETSO. Without a party ID, this would be much harder.

A Member suggested generating a new, unique BSAD Party ID and linking it to a simple reference table. This way the BSAD Party ID could be included in BSAD and the reference table could be created from the prequalification system, without needing to integrate the dispatch and prequalification systems.

Integrating location and technology type into this solution was also considered, but was ultimately seen to be too complex given that many dispatches are spread across various assets in different locations. Creating new data to replicate what is already in the Salesforce systems was deemed to be inefficient and an unnecessary duplication of effort.

The Workgroup agreed that the NETSO should perform a revised Impact Assessment that considered only the inclusion of:

- BSAD Asset ID;
- Service type;
- Tendered status; and
- A unique BSAD Party ID with a reference table.

## NETSO's revised Impact Assessment

The NETSO presented its revised Impact Assessment with four different potential solutions for the Workgroup to consider:

### Option 1 – essential items in BSAD

Include all essential (i.e. BSAD Party ID, BSAD Asset ID, Service type, tendered status) data items in existing BSAD file, to be sent to the BMRA and published on the BMRS:

- Estimated cost: ~£503k
- Lead time: 24 weeks

### Option 2 – essential items on NETSO Data Portal

Publish all essential data items on the newly created [National Grid ESO Data Portal](#), do not include data in BSAD:

- Estimated cost: ~£452k
- Lead time: 24 weeks

### Option 3 – essential items in BSAD and NETSO Data Portal

Include all essential data items in both the BSAD file and the National Grid ESO Data Portal:

- Estimated cost: ~£538k
- Lead time: 24 weeks

### Option 4 – essential and non-essential items in BSAD and NETSO Data Portal

Include **all** data items (i.e. BSAD Party ID, BSAD Asset ID, tendered status, technology type, service type, location) in both the BSAD file and National Grid ESO Data Portal:

- Estimated cost: ~£2.2m
- Lead time: 30 weeks

### Workgroup's preferred option

The Workgroup considered the options presented by the NETSO. Members unanimously discounted option 4 for being disproportionately expensive, as it was the same solution as initially assessed.

The NETSO explained that inclusion of the data solely in its Data Portal could potentially be a cheaper way to provide the industry with the transparency it requires. However, Members noted that this would place no obligation on the NETSO to publish or maintain the data as it could be done without a BSC Modification. This called into question the legality of such data publication, as the NETSO's confidentiality clauses would not be overridden by BSC obligations. Whilst the NETSO could theoretically gain approval to publish the information of all impacted counterparties, this would not stop a future counterparty from refusing the publication.

Workgroup Members were also concerned at the change being implemented without the wider industry oversight associated with BSC Modifications, even though removing the need for a BSC Modification could allow for faster changes. Members highlighted that without the visibility and opportunities to contribute to the solution, as is the case with the BSC Modification process, they were not confident that the necessary data would be published in a timely fashion, or in a format that they were comfortable with. Further, there were concerns that without the BSC obligations the NETSO could amend the data at a future time without due consultation, creating market uncertainty. As such, the Workgroup discounted option 2.

Considering options 1 and 3, the NETSO noted that the only difference between the two would be that in **option 3**, the data is included in both the Data Portal and the BSAD, whereas in **option 1** it is only in BSAD. It highlighted that by incurring the additional cost (~£35k) now, it may be more efficient than adding to the Data Portal at a later time if the industry asks for it. The Workgroup highlighted that, whilst option 3 potentially provides additional value in the form of data in multiple places, option 1 delivers the essential data required at the lowest cost. Members also considered that the NETSO are free to add the data to the Data Portal independently of the BSC Process once implemented and therefore this cost should not be included as part of P399.

The Proposer decided to progress with option 1, and the Workgroup unanimously agreed that this was the preferable solution.

## New Data Field Formats

Having agreed option 1 should constitute the Proposed Solution for P399, the Workgroup Members considered what format each data field should take.

### BSAD Asset ID

The Workgroup considered how best to publish the BSAD Asset ID, as not all assets that perform bilateral trades with the NETSO are assigned a unique ID by the NETSO. The Workgroup noted that the relevant Balancing Service (BS) contract ID could be used. For context, each BS contract has a contract ID which is used by the NETSO – this contract also requires the party to detail which assets make up the contract. Members noted that as part of these contracts the NETSO dispatches volume, not assets; it is up to each party to ensure the assets it is responsible for delivers the dispatch volume requested. For example, a contract may comprise 100 assets, but only call on 50 of them to meet a dispatch request. This means that, if contract ID was used as the BSAD Asset ID field, market participants would not know until approximately 1 month after the event which assets were actually used (i.e. after the publication of Applicable Balancing Services Volume Data (ABSVD)).

However, even in this case not all Metering System Identifiers (MSIDs) utilised could be identified under current rules. [P344 'Project TERRE'](#) and [P354 'Use of ABSVD for non-BM Balancing Service at the metered level'](#) require that each MSID used for ABSVD and/or TERRE - which is stored in the Supplier Volume Allocation (SVA) Metering System Register in accordance with [BSCP602 'SVA Metering System Register'](#) – must have a Customer Consent Flag (CCF), as well as a CCF “expected from” date and “expected to” date. As a result, under the current rules, it would not be possible to provide the BSAD Asset ID details required for all MSIDS in the SVA Metering System Register unless they all had a

CCF set to "True". The Workgroup could not identify any benefit of using the contract ID, as it is only meaningful to the signatories.

The Workgroup then considered using the BMU ID associated with the assets. Members were concerned that the cost of creating a new BSAD Asset ID would be a lengthy and expensive process, and it would be more cost-efficient to use an identifier that already exists. The Workgroup felt the most important trades to identify were those made under Schedule 7A of the Grid Trade Master Agreement (GTMA). Schedule 7A trades are typically made with Interconnectors and power plants, and it was the Workgroup's opinion that the vast majority of non-BM trades are made under these arrangements. As assets associated with 7A trades typically have established BMU IDs, the Workgroup felt that not having a specific BSAD Asset ID for smaller generators (i.e. those not associated with a BMU ID) would not significantly impede the benefits of the Modification. Further, it was the Workgroup's belief that the efficiencies gained by using the existing identifier far outweighed the costs associated with generating and assigning a new unique BSAD Asset ID for all non-BM participants.

The Proposer believed that in order to best facilitate competition, being able to identify the location of an asset was important. They were content that the use of a BMU ID as a BSAD Asset ID would satisfy this requirement in the majority of instances. The Workgroup considered both BSC BMU IDs and those assigned by the NETSO ('NGC BMU Name' field in the registered BMU spreadsheet on [Elexon's Portal](#)). The majority of consultation respondents highlighted that the use of a NETSO-assigned BMU ID would not cause any significant issues, one did note its preference for the use of the BSC-assigned BMU ID as it provides more information on the type of BMU.

The Workgroup agreed that the use of a BSC assigned BMU ID may be preferable to one assigned by the NETSO, as they believed that these are recognised throughout industry and it matches the aims of the Modification (i.e. for non-BM reporting to have parity with BM reporting), and the NETSO is not under any obligation to assign these IDs. However, the Workgroup agreed that where a BSC-assigned BMU ID is not available, if that trade involved an interconnector then a unique reference assigned by the NETSO that identifies the party and the interconnector utilised should be used. The NETSO confirmed that it could generate an abbreviation of the party involved alongside an abbreviation of the interconnector used, but the eventual format will be determined in the design phase. The unique reference would be linked to the lookup table to be published on the NETSO's website. The NETSO confirmed that interconnectors are content with this approach. Where a BMU ID is not available and an interconnector is not used, the Workgroup agreed that the field would be populated as "N/A" or something of equivalent effect.

## **BSAD Party ID**

Initially, the NETSO noted that the party associated with a trade is held within the NETSO's prequalification data systems, Members agreed that the most cost-effective way to report this information would be to use an ID provided by the NETSO that could be linked to a separate reference table. The table would link this ID to the name of the legal entity associated with it. Members unanimously agreed that a reference table should be created to facilitate the reporting of parties that have engaged in non-BM trades with the NETSO.

Upon further analysis the NETSO confirmed that it could provide the full name of the party associated with a trade the majority of the time. However there would still be some instances where this was not possible, for example where new European parties begin

trading across interconnectors and a full party name is not available. It is also not clear whether there would be a character limit for this field, so it may be the case that some parties will require a unique identifier to be generated where their company name exceeds any limit that may manifest. As such the Workgroup agreed that a unique identifier should be generated for parties where a name cannot be provided within the BSAD, linking to the lookup table where it is referenced against the legal entity with which it is associated. In summary, the Workgroup agreed that the BSAD Party ID field would be populated with either the name of the party providing the balancing service or a unique identifier provided by the NETSO.

Members then considered where responsibility for the publication and maintenance of this table should lie. The Workgroup agreed that an obligation should be placed on whoever is responsible to produce this table and keep it up to date to give confidence to industry. The benefits of having this responsibility lie with Elexon would be that all data is held on the same website and therefore relatively simple to navigate. However, given that the NETSO currently holds the necessary data and would receive any updates, it was unanimously agreed that it should hold the table on its website. The Workgroup and NETSO also agreed that the NETSO's annual C16 Statement consultation should contain a statement committing to the publication and maintenance of this reference table.

Following the amendment of the solution, specifically upon the decision to use BMU ID as the unique BSAD Asset ID (where available), Elexon queried whether the inclusion of a BSAD Party ID adds as much value as originally anticipated. This is because a BMU ID links an asset to a Party by design, and if an asset does not have a BMU ID it will not be identified, so a unique BSAD Party ID would not link a trade to a location. However, the creation of a unique BSAD Party ID and supporting reference table does provide information about all parties providing non-BM Balancing Services.

The Proposer has expressed the view that the BSAD Party ID would still provide a minor benefit and is in favour of its inclusion if the costs of doing so are not significant. The Workgroup agreed that having a standalone identifier for the party associated with a trade would add value to the solution for convenience and simplicity for the users.

## Service Type

The Workgroup noted that defining the type of balancing service procured by the NETSO would be useful to industry. In its initial impact assessment the NETSO confirmed that this would be relatively cheap to include and would not impact on implementation lead times as it is held within the same systems as BMU ID and tendered status.

The NETSO informed the Workgroup that this field would be populated in one of two ways depending on the type of Balancing Service Adjustment Action used (bilateral trade or non-BM dispatch instruction). If the action is a bilateral trade, the NETSO will populate it with either 'Energy' or 'System'. The NETSO acknowledged that this information was high level but noted that the wording of the legal text will allow it to publish more granular information in future as it becomes able to do so.

For non-BM dispatch instructions the NETSO will populate the field with either 'NON BM STOR' or 'NON BM FR', as these are the only two services utilised at the time of writing. However, these are likely to evolve in the near future given the scale of change on the horizon (e.g. Project TERRE, EBGL obligations etc.). New services could become available and existing services could be retired, but the NETSO confirmed it would be able to accommodate this into the P399 solution as required.



One respondent to the Assessment Procedure Consultation noted that they did not see the value of including a Service Type, noting that [P371 'Inclusion of non-BM Fast Reserve actions into the Imbalance Price calculation'](#) considered this and ultimately decided against doing so. Elexon highlighted that the aims of P399 differed to P371 in that P371 focused on Imbalance Price calculations, whereas P399 aims to increase data transparency to facilitate greater competition. Workgroup members agreed that Service Type would create greater data transparency and therefore improved the P399 solution at minimal cost. As such, the Workgroup agreed to include the Service Type field in the P399 solution.

## Tendered Status

Workgroup Members agreed unanimously that this is a straightforward field, and should be filled with a binary choice of either “True” or “False”. Members noted that where a service goes out to tender, the NETSO is clearly indicating a system need for a specific service in a specific timeframe, and is aware that there are many potential operators who could provide that service. Where a service is not tendered, it typically indicates that the NETSO recognises a relative lack of relevant, specific services in a particular area as it is contracted to a single party on specific terms. Highlighting the tendered status of trades will enable parties to identify areas of the system that may be constrained, informing their investment decisions and facilitating more efficient competition.

## NGESO Report Phase Consultation Response

NGESO responded to the P399 Report Phase Consultation with a revised cost and lead time for the inclusion of the “Tendered Status” data field. The inclusion of this data field is expected to cost between £350k - £500k with a lead time of 40 – 50 weeks. The inclusion of this data field requires the creation of a link between NGESO’s prequalification systems and dispatch systems. As explained at the beginning of this section, this is an expensive and complex undertaking and is what caused the original impact assessment to be approximately £2 million. The costs and lead times associated resulted in the Workgroup deciding against the inclusion of fuel type and location data fields in the P399 solution. This cost was not included in the Assessment Report because NGESO had included it in its work on the Clean Energy Package. As this has since been de-scoped, the cost falls only on P399.

Due to EBGL requirements introduced under [P392 'Amending BSC Change Process for EBGL Article 18'](#), this comment required the Workgroup to be reconvened. As detailed in [BSC Section F2.7.4A](#), where a Modification is seen to impact EBGL Article 18 terms and conditions, any response to the Report Phase Consultation that may require the Modification Proposal to be amended will require the Workgroup to be reconvened. Additionally, a sound justification will be provided for the inclusion (or otherwise) of any responses in the Modification Proposal – these justifications can be found in Appendix 2. For further information on the EBGL change process, please see the [P392 webpage](#).

The Workgroup therefore considered the increased costs associated with the data field and discussed whether the benefits were worth the additional costs at an additional meeting on 30 November 2020.

A Member queried whether the tendered status of a trade could be implicitly derived from the type of trade (e.g. a forward trade with an interconnector will never be tendered, whereas STOR actions will always be tendered). Members noted that the information

available would not enable the tendered status of all trades to be derived, and that not all interested parties would have the resources to do this kind of analysis.

The Proposer noted their strong preference for the field to remain as it provides context to balancing actions taken by the NETSO. As explained previously, a non-tendered service indicates a specific system need and can therefore inform investment decisions. A member highlighted their preference for P399 to be implemented as soon as possible as the proportion of non-BM trades is seen to be increasing as more interconnectors go live. They expressed concern that the lack of transparency in non-BM trades is harming the ability of GB power stations to effectively compete in the market. One Workgroup Member claimed that the level of transparency provided by the NETSO is already high and that the revised overall cost of the “Tendered Status” field may not be worth the benefit.

Overall, the Workgroup voted by majority to maintain the inclusion of the field despite the cost increases. Further, the additional governance required by the EBGL means that the Implementation Date will not be impacted – the November 2021 BSC Release is the earliest date P399 can be implemented in regardless of whether the field is included or not either case. Those that voted to retain the data field believe the value of the additional data transparency outweigh the costs, though there was a minority view that the costs are disproportionate. However, those that held the minority view agreed that P399 should still be approved despite the high costs. The Proposer also expressed the view that if tendered status wasn’t included now it would likely be included later, when it would likely cost even more to implement.

## Reporting Timescales

Members highlighted that the current reporting obligations in Section Q can result in gaps in reported trades, noting that the BMRA publishes this data within 5 minutes of receipt. This is because Section Q 6.3.1(a)(i) only requires the NETSO to send its BSAD estimate for each Settlement Period “... not later than 17:00 hours on the preceding day...”. Historically, this has resulted in trades being unreported unnecessarily due to amendments being made to existing trades, or additional trades being agreed, after 17:00 on the preceding day. The Workgroup discussed how best to address this issue and to have data reported as close to real time as possible.

In regards to its response to the Assessment Procedure Consultation on reporting timescales, the NETSO explained that the speed of its reporting is determined by whether the Balancing Action is a non-BM dispatch action or a bilateral trade. Dispatch instructions can be published within 30 minutes of the Settlement Period in which the instructions are issued, as they are reactive and the systems are already in place to do so.

However, bilateral trades are agreed ahead of time on an ad hoc basis. As such the systems are not designed to publish the data as quickly, as the NETSO has not historically had any need to do so – the data is published ahead of time regardless of the speed of reporting. This means that the closest to real time the NETSO can publish data for bilateral trades is 60 minutes after the relevant data is entered into its systems following the agreement of the trade.

A Workgroup member question whether there was a service-level agreement (SLA) or key performance indicator attached to the entry of the data into the NETSO’s systems. The NETSO explained that the data is entered within 10 minutes of the trade being agreed the majority of the time. However, as the data entry is a manual process it can sometimes take longer if a large volume of trades are agreed at once. It highlighted that there was



not an SLA or KPI attached to this process, but that the NETSO always endeavours to enter it as quickly as possible. The Workgroup agreed that an obligation to publish the data no later than 60 minutes following a trade's entry into the NETSO's systems would be acceptable, as this was the closest to real-time delivery that the NETSO could achieve.

## Settlement Reports

A Workgroup Member pointed out that the Settlement Reports (SAA-I014) file would need to be amended to include additional data for completeness. Members expressed concern that this may incur disproportionate costs on Parties and Party Agents that process the SAA-I014 file. Although the new data fields would not be used in Settlement, they would be required to update their system to accommodate the additional items. Elexon suggested not amending the SAA-I014, noting that the relevant information would be readily available on the BMRS.

A Member noted that the inclusion of this additional data in Settlement Reports could be preferable for some market participants as they can capture and process the data through these rather than reading from the BMRS. They also highlighted that the impact on Parties would depend on how its systems load and validate the data – some Parties may not be impacted if the new items are added as a new group at the end of the file. The Workgroup considered only updating SAA-I014 version 2, leaving version 1 unchanged. As version 1 is automatically sent to Parties and version 2 is sent to the NETSO, EMRS and Parties that specifically request it. This would mean all Parties would not have to update their systems but those Parties that wanted the data could still access it. Although EMRS would require to make system changes, it is initially believed that these would be minimal when considered against the need for all Parties to do so.

Respondents to the Assessment Procedure Consultation noted that the impacts of amendments to SAA-I014 sub flow 1 would be relatively minimal and could be accommodated with modest changes. They also noted that the requirement to do so is not unusual and the necessary processes are in place. The Workgroup considered this and concluded that sub flow 1 should also be amended for completeness, noting that this is a standard operational change for Parties.

## Industry Workstreams

As there is a concerted push for more open, public data within the energy market, the Workgroup considered whether other workstreams were pushing for similar data to be published, and if so, whether efficiencies could be made via collaboration. The NETSO C16 Statements Consultation was considered as one such possible route, given the BSAD Statement forms part of C16, and may require amendment. The NETSO highlighted that the implementation of P399 would not impact the C16 Consultation. They went on to confirm that P399 is not under consideration as part of the consultation and any amendments to the BSAD Statement will come solely from P399 – the NETSO are able to change the BSAD statement whenever they choose, though an industry consultation is required. In this case, the industry consultation for P399 would suffice. No other relevant industry workstreams were identified.

## Future Issue Prevalence

The Workgroup considered how prevalent the issue of limited transparency in non-BM trades would be in the future. If the proportion of non-BM trades is likely to increase, the need to implement P399 becomes more urgent. Conversely, if the proportion of non-BM trades is likely to decrease the associated costs of implementation may not be justified.

The NETSO considered this point and ultimately confirmed that, given the unprecedented level of change in the short to medium term in the form of TERRE and MARI and the ongoing UK/EU Free Trade Agreement negotiations, it is impossible to infer the future prevalence of this issue with any reasonable degree of certainty.

## Benefits

Given the significant costs associated with the Proposed Solution, the Workgroup considered the benefits of additional transparency. They noted that most are intangible, with one Workgroup Member highlighting the principle that competition is improved with greater knowledge, and greater competition means lower prices for consumers. An example was described in regards to targeted investment: where a single asset is being repeatedly utilised by the NETSO in a highly specialised environment, no other party will be privy to the exact circumstances of that environment and the party in question can set their own price. If other parties were aware they would be able to invest assets in a similar manner and compete, lowering prices for consumers. A Member also commented that the greater the transparency the easier it is to find errors in different data sources, which will ultimately improve industry data quality. Furthermore, there is already a strong case for change, as this data has been reported for BM data for over a decade.

Following the third Workgroup meeting, Elexon considered the overall value of trades taken outside the BM. The total value of NETSO buy actions outside the BM in 2018/19 was £156m, with a total volume of 2010GWh. In 2019/2020 the total cost was £161m, with a total volume of 2629GWh. Therefore the cost of making the non-BM market more transparent would be 0.45% of the total cost of the non-BM buy actions in 2019/20.

Moreover, the United Kingdom's Industrial Strategy was published in November 2017. A key part of that strategy is making data as open as possible. The benefits of transparent data cited in the strategy is that it will allow companies, organisations and even consumers to be able to make a far more informed decision as well as opening up markets to innovation and new ways of operating.

The Workgroup agreed that, whilst the benefits of this Modification may be largely intangible, they are benefits nonetheless and were important to level the playing field with the BM. One respondent to the consultation noted that they did not believe the costs of the Modification were justified, but the Workgroup maintained that the proposed solution is necessary to open up non-BM trading data to the market and enable those intangible benefits.

## Changes to legal text following Assessment Procedure Consultation

A respondent to the Assessment Procedure Consultation expressed concern around a line in the proposed legal text that would allow the NETSO to include additional data items in this table if it felt it improved transparency in the market. The respondent felt this would give the NETSO unilateral power to include additional data fields without due oversight

and governance. Elexon highlighted the clause had been included to help future-proof the solution by allowing data items to be included without the requirement of a Modification. In particular, it allowed for some of the data items originally proposed to be included in the solution that could not be economically be included in the BSAD file (e.g. location, technology type) to be provided via a different means, if the NETSO was able to do this economically in the future. However, Elexon acknowledged that this flexibility would necessarily entail allowing the NETSO some discretion. Elexon also notes that the clause required NETSO to believe the data would aid transparency.

The Workgroup considered amending the clause to include some form of governance or consultation but ultimately decided that the creation of an entirely new process would nullify the purpose of the clause's inclusion (i.e. to streamline the addition of new data items). The Workgroup therefore agreed to remove the clause from the legal text.

As described under 'Reporting Timescales', in its response the NETSO provided further information regarding the difference between the reporting and publication of non-BM dispatch instructions and bilateral trades. The legal text was amended to clarify this distinction and the Workgroup agreed with the changes, described in the relevant section.

Following the final Workgroup the NETSO identified the possibility of including the full party name associated with a Balancing Services Adjustment Action. However, it acknowledged that it may not be possible to do so in all circumstances. For example, it is not currently clear whether there will be a character limit on the field. If such a limit manifests during the design phase and a party's name exceeds it, the party will need to have a unique identifier generated by the NETSO.

## Further Comments

One respondent to the Assessment Procedure Consultation noted that the obligations under the Regulation on Wholesale Energy Market Integrity and Transparency (REMIT) could mean that any bilateral activity with the NETSO could constitute inside information and must not be acted upon until it is made public. The respondent noted that this could relate to bilateral conversations with interconnector capacity holders where trades are not conducted, providing the counterparty with the information related to such trades (e.g. system need, competitive pricing etc.). The respondent therefore expected the NETSO to confirm that such 'orders to trade' over interconnectors are also published in a timely manner in line with existing REMIT disclosure requirements.

The Workgroup considered this to be out of scope of P399. The NETSO agreed to investigate and to make any necessary changes in the future, but agreed with the Workgroup that it is not directly related to P399 and should not impact its progression.

## 7 Workgroup's Conclusions

The Workgroup Members believe that P399 would **better facilitate** the Applicable BSC Objectives (a), (b), (c), (d) and (e) and so **should be approved**. The Workgroup believes that P399 will be neutral against Objectives (f) and (g).

Following the Report Phase Consultation there was a minority detrimental view against Objective (d) due to the associated costs, otherwise views remained the same.

Does P399 better facilitate the Applicable BSC Objectives?		
Obj	Proposer's Views	Other Workgroup Members' Views <sup>1</sup>
(a)	• <b>Positive</b>	• <b>Positive</b> (unanimous)
(b)	• <b>Positive</b>	• <b>Positive</b> (unanimous)
(c)	• <b>Positive</b>	• <b>Positive</b> (unanimous)
(d)	• <b>Positive</b>	<ul style="list-style-type: none"> <li>• <b>Positive</b> (majority)</li> <li>• Minority detrimental - the additional costs associated with the "Tendered Status" data field make the costs of the solution disproportionate to the benefits.</li> </ul>
(e)	• <b>Positive</b>	• <b>Positive</b> (unanimous)
(f)	• Neutral	• Neutral
(g)	• Neutral	• Neutral

### Applicable BSC Objective (a)

The Workgroup unanimously agreed that the P399 Proposed Solution ensures effective discharge of the NETSO's obligations under Section C16 of the Transmission Licence.

P399 would better enhance transparency for market participants, which in turn would facilitate fair competition between all balancing service providers and other market players, ensuring that the system is operated in the most efficient manner possible. Therefore the Workgroup agreed that P399 will ensure NETSO's compliance with 1(b), (e), (g), and (h) of the C16 Statement.

### Applicable BSC Objective (b)

The Workgroup unanimously agreed that better market transparency would enable the efficient operation of the Transmission System. Improved transparency in reporting will give the market improved visibility of balancing actions, thus improving confidence in investment decisions (such as where to site new generation) – promoting effective competition and making the market more efficient.



### What are the Applicable BSC Objectives?

(a) The efficient discharge by the Transmission Company of the obligations imposed upon it by the Transmission Licence

(b) The efficient, economic and co-ordinated operation of the National Electricity Transmission System

(c) Promoting effective competition in the generation and supply of electricity and (so far as consistent therewith) promoting such competition in the sale and purchase of electricity

(d) Promoting efficiency in the implementation of the balancing and settlement arrangements

(e) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency [for the Co-operation of Energy Regulators]

(f) Implementing and administrating the arrangements for the operation of contracts for difference and arrangements that facilitate the operation of a capacity market pursuant to EMR legislation

(g) Compliance with the Transmission Losses Principle

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<sup>1</sup> Shows the different views expressed by the other Workgroup members – not all members necessarily agree with all of these views.

### **Applicable BSC Objective (c)**

The Workgroup unanimously agreed that improved transparency in reporting would promote more effective, efficient competition. The enhanced transparency would ensure there is effective competition between market participants by removing the information imbalance.

### **Applicable BSC Objective (d)**

The Workgroup agreed by majority that transparent data would promote efficiency in the implementation of the balancing and Settlement arrangements. It is thought that transparent data availability will enable disputes and errors to be more efficiently resolved and/or prevented.

There was a minority view within the Workgroup that P399 is detrimental against Objective (d) as they felt that the costs associated were disproportionate to the benefits gained. That said, those that voted this way agreed that P399 should still be approved. They reasoned that whilst they would prefer the costs to be lower, the Modification would still tangibly benefit the market.

### **Applicable BSC Objective (e)**

The Workgroup agreed unanimously that the Proposed Solution will ensure compliance with the Electricity Regulation, as it will ensure transparency in the market and foster effective competition, as per the EBGL Objectives.

The P399 Assessment Report was presented to the Panel at its meeting on 8 October 2020 ([Panel 307/08](#)). The Panel agreed unanimously with the recommendations as set out below, with the exception of views against BSC Applicable Objectives (c) and (d), wherein there was a minority view that P399 was neutral against these Objectives. The Panel agreed with the Workgroup that P399 should be approved.

The BSC Panel:

- **AGREED** that P399:
  - **DOES** better facilitate Applicable BSC Objective (a);
  - **DOES** better facilitate Applicable BSC Objective (b);
  - **DOES** better facilitate Applicable BSC Objective (c);
  - **DOES** better facilitate Applicable BSC Objective (d); and
  - **DOES** better facilitate Applicable BSC Objective (e);
- **AGREED** an initial recommendation that P399 should be **approved**;
- **AGREED** an initial Implementation Date of:
  - 24 June 2021 if an Authority decision is received on or before 13 January 2021; or
  - 4 November 2021 if an Authority decision is received after 13 January 2021 but on or before 20 May 2021;
- **AGREED** the draft legal text;
- **AGREED** an initial view that P399 should not be treated as a Self-Governance Modification;
- **AGREED** that P399 **does** impact the EBGL Article 18 Terms and Conditions and is consistent with the EBGL Objectives;
- **AGREED** that P399 is submitted to the Report Phase; and
- **NOTED** that ELEXON will issue the P399 draft Modification Report (including the draft BSC legal text) for a consultation of one calendar month and will present the results to the Panel at its meeting on 10 December 2020.

### Market Transparency

A Panel Member questioned the rationale behind raising P399. They highlighted that the implication of an information advantage was that certain Parties were using this to facilitate insider trading, but there was no clear evidence of this. They went on to consider the overall merits of the Modification if there was no clear issue it was seeking to address. Another Member noted that it is the nature of the market arrangements that necessitates trading data to be more transparent. They explained that the non-BM market operates as a monopoly with the NETSO as the sole buyer and because of this, market participants are not in a position to determine why or where the NETSO are buying what services to inform their investment decisions. Further, the Panel Member provided the example of Net

Imbalance Volume (NIV) chasing Parties as one market participant impacted by this lack of transparency, as they find it more difficult to predict or anticipate system length.

A Member highlighted that more transparency in markets is not necessarily always better, citing evidence that, globally, in some markets more data provides an opportunity to game the system. The Panel noted this but considered that this was not the case in the GB electricity market in this instance.

## Benefits

Panel Members were uncomfortable with comparing the cost of the Modification against the total value of non-BM actions of the 2019/20 financial year. They did not believe this was a robust comparison, noting that the Workgroup deemed the cost of £2.2m for the initial P399 solution disproportionate to the benefit of the Modification. A cost of £2.2m would constitute approximately 1.3% of the total value of non-BM buy actions, another seemingly inconsequential small figure (as 0.45% for the Proposed Solution), therefore Members felt a comparison against non-BM buy actions was not overly helpful. Implicitly, as the Workgroup did not believe £2.2 million to implement P399 was money well spent, this suggested that the benefits were at least £740k (the P399 estimated costs) and less than £2.2 million.

Other Members felt that the benefits provided by more open data would eventually pay for itself due to more efficient competition and the opportunity for innovation. A Member noted this was an argument used for previous transparency Modifications, which are difficult to quantify for benefits. The Panel also noted that this would create a level playing field between the BM and non-BM markets in terms of data transparency.

## Panel views against the Applicable BSC Objectives

The Panel unanimously agreed that P399 would positively impact BSC Applicable Objectives (a), (b) and (e) for the reasons provided by the Workgroup in Section 7 of this paper. The panel also voted by majority that P399 better facilitates Objectives (c) and (d), with two Members feeling P399 is neutral against (d) for the reasons given by the Workgroup. One Member believed P399 is neutral against (c) as the evidence that this extra data would facilitate competition was absent.



## 9 First Report Phase Consultation Responses

This section summarises the responses to the Panel's original Report Phase Consultation on its initial recommendations. This consultation was issued between 5 October 2020 and 6 November 2020 (one calendar month, as per EBGL requirements). You can find the full responses in Attachment D.

Summary of first P399 Report Phase Consultation Responses				
Question	Yes	No	Neutral/ No Comment	Other
Do you agree with the Panel's initial unanimous recommendation that P399 should be approved?	3	0	0	1
Do you agree with the Panel that the redlined changes to the BSC deliver the intent of P399?	4	0	0	0
Do you agree with the Panel's recommended Implementation Date?	3	1	0	0
Do you agree with the Panel's initial view that P399 does impact the EBGL Article 18 terms and conditions related to balancing held within the BSC?	4	0	0	0
Do you agree with the Panel's initial view that P399 should not be treated as a Self-Governance Modification?	4	0	0	0
Do you have any comments on the impact of P399 on the EBGL objectives?	1	3	0	0
Do you have any further comments on P399?	3	1	0	0

The first P399 Report Phase Consultation received four responses. Respondents represented Suppliers, Generators, a Non Physical trader, ECVNA, MVRNA and the NETSO. Only one of these had responded to the Assessment Phase Consultation. After contacting some of those that responded to the Assessment Consultation but not the Report Phase Consultation, they confirmed it was because their views remained unchanged or that their concerns had been addressed.

### Applicable Objectives

The majority of respondents agreed that P375 should be approved. One respondent noted that they supported transparency, but not the Modification in its current form due to the high associated costs. The expressed their preference for Option 2 (i.e. publication of all relevant data on the NGESO Portal rather than on the BMRS) to save costs. However, the Workgroup discounted this Option following lengthy discussions, as described in Section 6. The Workgroup's main concerns with this Option were the lack of governance and oversight that is associated with the BSC Modification process, and the lack of assurance that Parties would agree to have their data published. A requirement in the BSC overrides any anonymity clauses in bilateral contracts.



## Redlined Changes

Respondents unanimously agreed that the redlined changes to the BSC deliver the intention of P399, though one respondent noted that they had not conducted a full legal review.

## Implementation Date

The majority of respondents supported the implementation date, however, the NETSO highlighted that it could no longer deliver the system changes required by June 2021. This was due to the additional resource required for the Tendered Status data field, as described below.

## Self-Governance

All respondents agreed that P399 should not be treated as a Self-Governance Modification as it impacts competition and the EBGL Article 18 terms and conditions related to balancing.

## EBGL Impacts

All respondents agreed with the Panel's view that P399 does impact the EBGL Article 18 terms and conditions held within the BSC. Not all commented on the impacts on the EBGL objectives, but those that did noted that P399 either had a positive impact or were consistent with them.

## Tendered Status

The NETSO explained that the inclusion of the Tendered Status data field would now increase the costs associated with P399 by £350k - £500k and the lead times by approximately 20 – 30 weeks. This was because the work associated with the amendment of the necessary systems was due to be done through work relating to the Clean Energy Package. That work had since been de-scoped and so P399 would be the main driver of that part of the change. As a result, the earliest P399 could be implemented is November 2021 as part of the November 2021 BSC Release.

As this could constitute a material change to the P399 solution, the Workgroup was required to be reconvened as per [Section F 2.7.4\(d\)\(i\)\(A\)](#) provisions, as introduced under P392 in summer 2022

## 10 Second Report Phase Consultation

This section summarises the responses to the second Report Phase Consultation on the Workgroup's recommendations following NETSO's response to the original Report Phase Consultation. This consultation was issued for 10WD between 8 – 22 December 2020 and you can find the full responses in Attachment E, and the justification for the inclusion (or otherwise) of any responses in the solution can be found in Appendix 2, as per EBGL requirements.

P399 was re-issued for Report Phase Consultation as new material information in relation to the solution was provided in the first Report Phase Consultation. The ESO response identified that the cost for including the 'tendered status' filed will now cost an additional £350k-500k. The Workgroup decided to keep the tendered status in the solution, but in light of this material increase in cost re-issued P399 for consultation (see 'NGESO Report Phase Consultation Response' on page 23 for Workgroup discussions).

Following the introduction of [P392](#) 'Amending BSC Change Process for EBGL Article 18' in June 2020, all BSC Modifications must now consider the impact on the EBGL Article 18 terms and conditions for balancing. This requires that the Workgroup is reconvened, where there have been any representations that may require the Modification Proposal to be amended. The Workgroup must then decide whether to amend, or not, the solution and where it is amended to re-consult.

Summary of second P399 Report Phase Consultation Responses				
Question	Yes	No	Neutral/ No Comment	Other
Do you agree with the Workgroup's initial unanimous recommendation that P399 should be approved?	3	0	0	0
Do you agree with the Workgroup that the redlined changes to the BSC deliver the intention of P399?	3	0	0	0
Do you agree with the Workgroup's recommended Implementation Date?	3	0	0	0
Do you agree with the Workgroup's initial consideration that P399 does impact the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the BSC?	3	0	0	0
Do you agree with the Workgroup's initial view that P399 should not be treated as a Self-Governance Modification?	3	0	0	0
Do you have any comments on the impact of P399 on the EBGL objectives?	1	2	0	0

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Final Modification Report

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Summary of second P399 Report Phase Consultation Responses				
Question	Yes	No	Neutral/ No Comment	Other
Do you agree with the Workgroup's recommendation that the "Tendered Status" data field should still form part of the P399 solution, taking into account increased costs of doing so?	2	1	0	0
Do you have any further comments on P399?	0	3	0	0

The second P399 Report Phase Consultation received three responses, representing Suppliers and Generators. None of these had responded to the first Report Phase Consultation, but two had responded to the Assessment Phase Consultation.

### Applicable Objectives

All respondents agreed with the Workgroup's view that P399 better facilitates the BSC Applicable Objectives against the baseline and therefore should be approved. One respondent noted disappointment with the slow progress of the Modification. Elexon notes that P399 was delayed due to the progression of P399 straddling the implementation of the EBGL change process. This caused a one month delay on top of the one month EBGL consultation due to timing, as P399 needed to pass through the EBGL process before approval. Additionally, a further Workgroup meeting and second consultation was required in the Report Phase due to new information being received of a material nature to the implementation of the solution. Another respondent reiterated the comments made in the Workgroup i.e that the costs of including the 'tendered status' data field are disproportionate to the benefits.

### Redlined Changes

Respondents unanimously agreed that the redlined changes to the BSC deliver the intention of P399, though one respondent noted that they had not conducted a full legal review.

### Implementation Date

Respondents unanimously agreed with the proposed implementation date of P399

### Self-Governance

All respondents agreed that P399 should not be treated as a Self-Governance Modification as it impacts competition and the EBGL Article 18 terms and conditions related to balancing.

## EBGL Impacts

All respondents agreed with the Panel's view that P399 does impact the EBGL Article 18 terms and conditions held within the BSC. Not all commented on the impacts on the EBGL objectives, but those that did noted that P399 either had a positive impact or were consistent with them.

## Tendered Status

The majority of respondents agreed with the Workgroup's recommendation that the 'Tendered Status' data field should be retained in the P399 solution despite the increased costs. One respondent noted that it supported this only because of NETSO assurances that this could facilitate further transparency at lower cost in the future. They request that the BSC Panel ask the NETSO to review what other data may be shared as a result of this change and to bring forward any necessary proposals to facilitate further improvements.

The respondent that disagreed with the inclusion of 'Tendered Status' reasoned that the costs associated are disproportionate to the perceived benefits. They noted that they are supportive of improved transparency, but the information already published by the NETSO (i.e. non-BM STOR and non-BM FR) already provides this information. This was discussed by the Workgroup, and Members noted that the information available would not enable the tendered status of all trades to be derived, and that not all interested parties would have the resources to do this kind of analysis.

## 11 Panel's Final Discussions

The Panel considered the P399 Modification Report at its meeting on 14 January 2021 (310/04).

All Members unanimously agreed that P399 better facilitates Applicable BSC Objectives (a), (b), (c), (d) and (e) for the reasons given by the Workgroup. It voted by majority for P399 to be approved. One Member voted against approval, noting that whilst P399 better facilitates the Applicable BSC Objectives against the baseline, they were concerned that the costs were disproportionate to the benefits.

### Costs and Benefits

Panel discussions on P399 centred on the costs and benefits. Whilst the Panel were clear that P399 would benefit industry by increasing data transparency, some Members were not comfortable that the intangible benefits underpinning the principles of open data was the only case to be made against an estimated implementation cost of between £1.1m – £1.25m.

One Member challenged the estimated cost of £350k - £500k of including tendered status in the solution. NGESO noted that these costs are largely associated with the creation of a link between its Salesforce systems and those related to BM reporting; if this link already existed the costs would have been significantly lower. It also highlighted that the creation of this link could potentially allow the provision of other data items in future at a lower cost, and a Member noted that facilitating an upgrade to the NGESO's systems would be of net benefit to industry.

A Member asked whether all options had been considered to deliver the data items as efficiently as possible, noting the lack of an Alternative Solution that did not include the tendered status field. Elexon explained that the Workgroup did consider this. A majority of Workgroup Members believed tendered status was essential to deliver the benefits to industry and therefore there was insufficient support to raise such an Alternative.

The Workgroup had considered the most efficient solution at length, having discounted the initial solution due to the disproportionate costs and lead times of £2.2m (per the first NGESO impact assessment, as described in Section 6) and approximately three years. It resolved to include only those data items that were essential to address the issue of opaque trades in the non-BM market. NGESO then provided four possible options in its second impact assessment and the Workgroup chose the option that it felt most efficiently and effectively delivered the intention of P399. Ultimately the Workgroup are beholden to the design and impact assessment of NGESO.

A Member, who has also taken on the role of Proposer's representative, explained that the market is currently making inefficient decisions due to a lack of information. Whilst some larger Parties are able to better discern the trades being made by NGESO in the non-BM market, smaller Parties do not have the resources or expertise to do so. They went on to note that one intention of P399 is to level the playing field, allowing all market participants visibility of trades made in the non-BM market where this knowledge is currently limited to NGESO and the parties with which it trades.

Other Members also noted that the information that P399 seeks to publish would allow users to better predict imbalance prices, enabling more efficient balancing of the system. They also noted that as the data was not being published in real time, it would not

facilitate Net imbalance Volume (NIV) chasing. The Members believed that over time this Modification is likely to pay for itself if the volume of non-BM trades increases (as some predict due increasing number of Interconnectors going live, especially following Brexit and a return to implicit trading). The Modification Secretary also noted that the support in the consultations amounted to implicit agreement that the funds should be spent to deliver P399.

## 12 Recommendations

The BSC Panel recommends to the Authority:

- That P399 should be **approved**;
- That P399 **does** impact the EBGL Article 18 terms and conditions held within the BSC;
- That P399 is **consistent** with the EBGL Objectives;
- An Implementation Date for P399 of:
  - **4 November 2021**, if the Authority's decision is received on or before 20 May 2020; or
  - **24 February 2022**, if the Authority's decision is received after 20 May 2020 but before 7 October 2021; and
- The BSC legal text for P399.

## Appendix 1: Graph 1 Supporting Data

This Appendix contains the supporting data for the graph highlighting the proportion of Balancing Services accounted for by non-BM actions on Page 8.

Month	Total Accepted Bid Volume	Total Accepted Offer Volume	Total Accepted Undo Bid Volume	Total Accepted Undo Offer Volume	Upwards BM	Downwards BM	Upwards BSAD (Excluding NBM STOR)	Downwards BSAD (Excluding NBM STOR)	Total	Percentage BSAA
Jan-17	-700923.73	396483.52	7250.75	-1263.17	403734.27	-702186.91	136488.087	-39373.533	1281782.80	14%
Feb-17	-715141.68	371683.47	6471.19	-1963.28	378154.66	-717104.96	102051.886	-68495.396	1265806.89	13%
Mar-17	-917373.34	538698.74	7960.19	-2442.02	546658.93	-919815.37	104366.497	-168656.759	1739497.55	16%
Apr-17	-660900.58	361209.99	6499.03	-2371.40	367709.03	-663271.99	179125.317	-215740.5	1425846.83	28%
May-17	-476763.83	407756.52	5218.61	-3154.93	412975.14	-479918.76	143185.768	-223710.381	1259790.04	29%
Jun-17	-748818.67	786503.01	6224.80	-6434.60	792727.81	-755253.27	68924.646	-316583.641	1933489.37	20%
Jul-17	-520892.48	607761.01	4937.03	-4435.23	612698.04	-525327.71	76567.427	-373511.2	1588104.38	28%
Aug-17	-528596.05	655826.95	3761.91	-4808.86	659588.86	-533404.91	82970.14	-400712.032	1676675.94	29%



Sep-17	-517238.00	591021.19	5368.89	-4186.69	596390.09	-521424.69	35570.758	-235634.387	1389019.92	20%
Oct-17	-970627.47	944334.94	7381.54	-5300.79	951716.49	-975928.26	176975.922	-344218.339	2448839.00	21%
Nov-17	-911914.86	813410.68	8262.22	-2735.76	821672.89	-914650.61	151284.752	-207470.659	2095078.92	17%
Dec-17	-876495.94	828650.93	5630.95	-3559.02	834281.88	-880054.96	152869.104	-135766.851	2002972.79	14%
Jan-18	-836687.55	756451.57	7049.88	-4401.37	763501.44	-841088.92	58460.296	-124323.549	1787374.21	10%
Feb-18	-625172.51	438328.48	8568.89	-3705.58	446897.37	-628878.09	65667.888	-40843.832	1182287.18	9%
Mar-18	-652587.80	544805.66	9490.95	-2384.27	554296.61	-654972.07	32966.94	-45353.9	1287589.53	6%
Apr-18	-614767.19	469813.50	7824.20	-3956.73	477637.70	-618723.91	22190	-116182	1234733.61	11%
May-18	-527017.98	517678.08	5266.96	-3061.71	522945.03	-530079.69	74075.009	-282911.484	1410011.22	25%
Jun-18	-656936.35	632178.06	4340.28	-4175.12	636518.34	-661111.48	139613.047	-233002.174	1670245.04	22%
Jul-18	-535732.95	627766.32	6334.74	-3401.99	634101.06	-539134.94	119232.458	-310796.047	1603264.51	27%

Aug-18	-517685.56	545126.94	5252.16	-3318.33	550379.10	-521003.88	126562.92	-307822.598	1505768.50	29%
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Sep-18	-992980.89	1030260.57	6050.12	-5445.61	1036310.69	-998426.50	178009.089	-322581.911	2535328.19	20%
Oct-18	-	988477.96	8590.10	-4683.19	997068.06	-1045621.75	225496.367	-287855.879	2556042.06	20%
Nov-18	-836781.29	688429.81	7536.50	-2347.73	695966.32	-839129.02	285243.609	-208284.515	2028623.46	24%
Dec-18	-889297.55	719642.84	7824.35	-1803.97	727467.19	-891101.52	225528.113	-200376.775	2044473.60	21%
Jan-19	-723995.32	505779.31	10230.65	-2451.63	516009.96	-726446.96	171794.353	-146542.561	1560793.83	20%
Feb-19	-825189.73	738831.77	8533.93	-4316.29	747365.70	-829506.01	91682.483	-192497.835	1861052.03	15%
Mar-19	-	1340107.22	8574.48	-7120.29	1348681.70	-1174879.12	100570.5	-394823.7	3018955.02	16%
Apr-19	-710206.25	801861.46	6715.43	-5140.02	808576.89	-715346.27	56382.912	-243730.339	1824036.42	16%
May-19	-520395.78	570714.12	5080.16	-2389.08	575794.28	-522784.85	100286	-279075.1	1477940.23	26%

Jun-19	-566187.16	769100.26	5618.46	-4327.71	774718.73	-570514.87	236887.893	-489483.5	2071604.99	35%
Jul-19	-586773.35	594412.49	4623.99	-2580.14	599036.48	-589353.49	258099.158	-373837.497	1820326.62	35%

## Appendix 2: Report Phase Consultation Responses

As detailed in BSC Section F2.7.4A, any BSC Modification that the Panel determines impacts any of the BSC provisions that constitute EBGL Article 18 terms and conditions (as listed in Annex F-2) must undergo a consultation of one month. If any response to that consultation may require the Modification Proposal to be amended, the Workgroup will be reconvened and a sound justification will be provided for the inclusion (or otherwise) of any responses in the Modification Proposal. This appendix contains a list of all comments received to the consultation and the associated justifications.

### Question 1: Do you agree with the Panel's initial unanimous recommendation that P399 should be approved?

Respondent	Response (yes/no/neutral/other) and rationale	Comment included?	Justification
Centrica	<p><b>Other</b></p> <p>We support the objective of transparency, but not the costs of delivering P399 in its current form.</p> <p>Overall, we do not support the proposal on the grounds that equivalent benefits could have been delivered at lower cost by making the data more accessible via another route – such as Option 2 in the NETSO's revised Impact Assessment. We set out in our response to Question 7 how we believe transparency can be delivered at a significantly reduced cost.</p> <p>(a) Neutral – whilst not disagreeing with the Workgroup's views on objective (a) around transparency and competition for all. This information can largely be derived from existing sources and an alternative less costly solution could have been found to making this data more accessible to all balancing service providers.</p>	No	The Workgroup already considered the merits of Option 2 and discounted it for the reasons described in Section 6.

	<p>(b) Positive – we agree that making this information more accessible has the benefits cited by the Workgroup. We believe transparency improvements could have been delivered at less cost.</p> <p>(c) Positive – we support measures that improve competition. We don't agree that there was a material information imbalance because the information is deducible from other data items that are already published to the industry. We believe a more cost-effective method could have been found to making the data more accessible to all market participants.</p> <p>(d) Neutral – we do not believe this is an efficient way of implementing a solution to the issue due to the costs involved</p> <p>(e) Positive – agree that it is consistent with the EBGL objectives of ensuring transparency and fostering effective competition</p>		
Limejump	<p><b>Yes</b></p> <p>Yes, we are supportive as it will promote competition in accordance with the BSC objectives by providing details of all parties providing balancing services outside of the BM.</p>	No	No changes suggested
NGESO	<p><b>Yes</b></p> <p>-</p>	No	No changes suggested
Scottish Power	<p><b>Yes</b></p> <p>-</p>	No	No changes suggested

**Question 2: Do you agree with the Panel that the redlined changes to the BSC deliver the intention of P399?**

<b>Respondent</b>	<b>Response (yes/no/neutral/other) and rationale</b>	<b>Comment included?</b>	<b>Justification</b>
Centrica	<b>Yes</b> -	No	No changes suggested
Limejump	<b>Yes</b> Yes, we agree with the additional data included in the redlined changes – Party ID, Asset ID, Service Type and Tendered Status.	No	No changes suggested
NGESO	<b>Yes</b> -	No	No changes suggested
Scottish Power	<b>Yes</b> We are comfortable that the legal text provided delivers the intent of the modification although we have not conducted a full legal review.	No	No changes suggested

**Question 3: Do you agree with the Panel's recommended Implementation Date?**

<b>Respondent</b>	<b>Response (yes/no/neutral/other) and rationale</b>	<b>Comment included?</b>	<b>Justification</b>
Centrica	<b>Yes</b> We are not disagreeing with the Implementation Date if the rest of the Panel's recommendations regarding this mod are approved - but note our comments to Q1 and Q7	No	No changes suggested
Limejump	<b>Yes</b> Yes, we agree that if an OFGEM decision is made by 13/1/21 that the implementation will be by 24/6/21. We would welcome a decision by OFGEM to meet this deadline.	No	No changes suggested
NGESO	<b>No</b> NGESO IS resources are being prioritised for Clean Energy Package changes which will run until March 21. The impact of this means that NGESO will not be able to implement the changes of P399 in June 2021 and will now need to use the implementation date of November 2021 as discussed in the Workgroup.	Yes	NGESO IS resources are required for the bulk of the implementation of P399. As they cannot meet the previous implementation date, the Workgroup agreed to move the target implementation date. The previous date was also unattainable due to the additional governance associated with EBGL requirements; to meet the implementation date of June 2021 an Ofgem decision was required by 13 January. As P399 must again be consulted on through December, the earliest Panel meeting that can provide Ofgem a recommendation is on 14 January 2021.

Scottish Power	<b>Yes</b> The implementation dates proposed appear reasonable and should provide adequate lead time for industry to make any necessary system changes	No	No changes suggested
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**Question 4: Do you agree with the Panel's initial consideration that P399 does impact the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the BSC?**

Respondent	Response (yes/no/neutral/other) and rationale	Comment included?	Justification
Centrica	<b>Yes</b> -	No	No changes suggested
Limejump	<b>Yes</b> We support the view of the WG that the modification proposal will help effective competition by providing additional transparency.	No	No changes suggested
NGESO	<b>Yes</b> -	No	No changes suggested
Scottish Power	<b>Yes</b> Since the subject matter of the modification relates to market sensitive information and the provision of balancing services it does impact EBGL and the relevant conditions within the BSC	No	No changes suggested



**Question 5: Do you agree with the Panel's initial view that P399 should not be treated as a Self-Governance Modification?**

<b>Respondent</b>	<b>Response (yes/no/neutral/other) and rationale</b>	<b>Comment included?</b>	<b>Justification</b>
Centrica	<b>Yes</b> -	No	No changes suggested
Limejump	<b>Yes</b> Agree with the Panel	No	No changes suggested
NGESO	<b>Yes</b> -	No	No changes suggested
Scottish Power	<b>Yes</b> The modification impacts EBGL and competition so it should not be treated as a self-governance modification	No	No changes suggested

**Question 6: Do you have any comments on the impact of P399 on the EBGL objectives?**

<b>Respondent</b>	<b>Response (yes/no/neutral/other) and rationale</b>	<b>Comment included?</b>	<b>Justification</b>
Centrica	<b>Yes</b> -	No	No changes suggested
Limejump	<b>Yes</b> We welcome this proposal to improve competition for those offering Balancing Services.	No	No changes suggested
NGESO	<b>No</b> -	No	No changes suggested
Scottish Power	<b>Yes</b> It increases transparency and so should contribute to fostering effective competition	No	No changes suggested

**Question 7: Do you have any further comments on P399??**

Respondent	Response (yes/no/neutral/other) and rationale	Comment included?	Justification
Centrica	<p><b>Yes</b></p> <p>As set out in our response to Question 1, we supportive of increasing transparency for all market participants, but not the costs of delivering the Working Group’s recommendation. This does not represent value for money and the Report Phase Consultation documents shows that the Workgroup struggled with the balance of high costs v benefits.</p> <p>We would suggest an alternative to be considered of no change to flows to Elexon/BMRS and changes just on NETSO side:</p> <p>a) Amend the existing NETSO Data Portal Ancillary Service Dispatch Platform (ASDP) information report (<a href="https://data.nationalgrideso.com/ancillary-services/non-bm-ancillary-service-dispatch-platform-asdp-instructions">https://data.nationalgrideso.com/ancillary-services/non-bm-ancillary-service-dispatch-platform-asdp-instructions</a>) to include the name of counterparty, and</p> <p>b) Either update the NETSO Trade Reporting system to include the Counterparty in an existing report or create a new NETSO Data Portal report to contain all the required information.</p> <p>The NETSO’s revised Impact Assessment included an estimated cost of £452K for Option 2 – essential items on NETSO Data Portal. This seems high to us. We suggest that this £452K cost is revisited, to see if the abovementioned changes could be delivered at a lower cost.</p>	No	The Workgroup already considered the merits of Option 2 and discounted it for the reasons described in Section 6.
Limejump	<p><b>Yes</b></p> <p>We note that the WG has sought feedback on the cost increase of between c£100k-£500k to add the ‘tendered status’ field. The total original costs were £750k. We believe that this field should be included even with the additional cost as it is an important part of the disclosure. It will allow</p>	Yes	The Workgroup recommend retaining the ‘tendered status’ field. Though not in direct response to this comment, it does align with it.

	market participants to understand the level of non-tendered services which arise from either Mandatory Services as part of connection agreements or bilateral contracts..		
NGESO	<p><b>Yes</b></p> <p>Following on from further IS work, part of P399's scope was to include a "tendered status". This was due to be done through work relating to the Clean Energy Package Article 6(9). This has now been descoped from that element meaning that P399 would need to be the driver for this part of the change. This will result in an increased implementation cost of £350k-£500k, with an overall cost of £850k-£1m to implement P399. This is still considerably less than the original impact assessment of £2-2.3m. Additionally, this increased scope for P399 means that the earliest the change can be delivered is November-21. We recognise that this is later than originally discussed at the Workgroup and we will endeavour to be transparent as we move through the development process.</p> <p>NGESO would also like to address the question raised on REMIT obligations on publishing interconnector trades, we see this as out of scope of P399, however, we will be looking into what further information we could publish in relation to interconnector trades as part of our ongoing data transparency work.</p> <p>Finally, our internal trading team have had no objections from interconnectors in publishing their name, the only thing they want to make sure happens is that it's clear we aren't trading with them, we are trading with a counterparty who are using them to deliver the energy. This will be done by only including information about them in the Service ID section not the party ID section.</p>	Yes	After careful consideration by the Workgroup, it ultimately decided to retain 'tendered status' despite the associated costs. Full rationale is described in Section 6.
Scottish Power	<p><b>No</b></p> <p>-</p>	No	No changes suggested

### Workgroup's Terms of Reference

Specific areas set by the BSC Panel in the P399 Terms of Reference	Conclusion
What impact will P399 have on the BSC Settlement Risks and what changes will be required to the Performance Assurance Arrangements?	We believe, as supported by the Workgroup, that there will be no impact on BSC Settlement Risks.
What changes are needed to BSC documents, systems and processes to support P399 and what are the related costs and lead times?	Expected central implementation costs of ~£726k, with a lead time of 24 weeks BMRS and SAA impacted BSC Section Q NETA IDD 1, NETA IDD 2, SAA SD/URS, BMRA SD/URS, Data Catalogues
When will any required changes to subsidiary documents be developed and consulted on?	Changes to subsidiary documents will be developed as part of the implementation process.
Are there any alternative Modifications?	No Alternative Modifications were identified
Should P399 be progressed as a Self-Governance Modification?	The Workgroup agree that P399 should not be treated as Self-Governance as it will have a material effect on Self-Governance criteria (a) and (b) ii
Does P399 better facilitate the Applicable BSC Objectives than the current baseline?	The Workgroup initially unanimously believes that P399 would better facilitate Applicable BSC Objectives (a), (b), (c) and (e). A majority of the Workgroup also initially believe it would better facilitate Applicable BSC Objective (d).
Does P399 impact the EBGL Article 18 terms and conditions of balancing held within the BSC?	We believe, as supported by the Workgroup, P399 does impact the EBGL Article 18 terms and conditions and so must also be progressed via the EBGL Change process.
Does P399 impact on any other industry workstreams?	No industry workstreams seeking to include this additional data were identified by the Workgroup.
How prevalent will this issue be in the future?	Due to the significant change expected in balancing products in the coming years, the Workgroup agreed that it is not possible to determine the future prevalence of this issue with any reasonable degree of certainty.

## Assessment Procedure timetable

P399 Assessment Timetable	
Event	Date
Panel submits P399 to Assessment Procedure	16 January 2020
Workgroup Meeting 1	27 January 2020
Workgroup Meeting 2	27 March 2020
Workgroup Meeting 3	17 July 2020
Assessment Procedure Consultation	17 August – 7 September 2020
Workgroup Meeting 4	W/C 14 September 2020
Panel considers Workgroup's Assessment Report	8 October 2020

## Workgroup membership and attendance

P399 Workgroup Attendance						
Name	Organisation	27/01 /20	27/03 /20	17/07 /20	18/09 /20	30/11 /20
Members						
Lawrence Jones	ELEXON ( <i>Chair</i> )	✓	☎	☎	☎	☎
Craig Murray	ELEXON ( <i>Lead Analyst</i> )	✓	☎	☎	☎	☎
Lisa Waters	Waters WYE ( <i>Proposer</i> )	☎	✗	✗	✗	☎
Kyran Hanks	Waters WYE ( <i>Alternate</i> )	✗	✗	☎	☎	✗
Peter Berry	Calon Energy	✓	☎	☎	☎	✗
Phil Russell	Self-Employed	✓	☎	☎	☎	✗
Ross Haywood	RWE	☎	☎	✗	✗	✗
Kyle Martin	LCP	✓	✗	✗	✗	☎
Alessandra De Zottis	sembcorp	✓	✗	☎	☎	☎
Kate Dooley	ESB	✓	✗	✗	☎	✗
Ryan Goddard	Welsh Power	✓	☎	✗	✗	✗
Phil Hewitt		✓	☎	☎	✗	☎
Ian Tanner	sembcorp	✗	☎	☎	✗	☎
Joshua Logan	Drax	☎	☎	☎	☎	☎
Chris Fisher	Conrad Energy	✗	☎	✗	✗	✗
Jamie Webb	NETSO	✓	☎	☎	☎	☎
Attendees						
Damian Clough	ELEXON ( <i>Design Authority</i> )	✓	☎	☎	☎	☎
Eden Ridgeway	ELEXON ( <i>Lead Lawyer</i> )	✓	☎	☎	☎	☎
Matthew Hopkins	NETSO	✗	☎	☎	✗	✗

## Appendix 4: Glossary & References

### Acronyms

Acronyms used in this document are listed in the table below.

Acronyms	
Acronym	Definition
ABSVD	Applicable Balancing Services Volume Data
BM	Balancing Mechanism
BMU	Balancing Mechanism Unit
BMRA	Balancing Mechanism Reporting Agent
BMRS	Balancing Mechanism Reporting Service
BS	Balancing Service
BSAD	Balancing Services Adjustment Data
BSC	Balancing and Settlement Code
BSCCo	Balancing and Settlement Code Company
BSUoS	Balancing System use of System [charges]
CCF	Consumer Consent Flag
CRA	Central Registration Agent
EBGL	European Balancing Guideline
ENTSO-E	European Network of Transmission System Operators for Electricity
EMRS	Electricity Market Reform Service
FFR	Fast Frequency Reserve
FPN	Final Physical Notification
GTMA	Grid Trade Master Agreement
KPI	Key Performance Indicator
MSID	Metering System Identifier
NETSO	National Electricity Transmission System Operator
SLA	Standard-License Agreement
STOR	Short Term Operating Reserve
SO	System Operator
SVA	Supplier Volume Allocation
VLP	Virtual Lead Party



## External links

A summary of all hyperlinks used in this document are listed in the table below. All external documents and URL links listed are correct as of the date of this document.

External Links		
Page(s)	Description	URL
3	BSC Section Q 'Balancing Services Activities	<a href="https://www.elexon.co.uk/the-bsc/bsc-section-q-balancing-services-activities/">https://www.elexon.co.uk/the-bsc/bsc-section-q-balancing-services-activities/</a>
5	Transmission Licence	<a href="https://www.ofgem.gov.uk/ofgem-publications/53954/nget-rollover-special-conditions.pdf">https://www.ofgem.gov.uk/ofgem-publications/53954/nget-rollover-special-conditions.pdf</a>
5	BSC Section T 'Settlement and Trading Charges'	<a href="https://www.elexon.co.uk/the-bsc/bsc-section-t-settlement-and-trading-charges/">https://www.elexon.co.uk/the-bsc/bsc-section-t-settlement-and-trading-charges/</a>
6	P354 'Use of ABSVD for non-BM Balancing Services at the metered (MPAN) level'	<a href="https://www.elexon.co.uk/mod-proposal/p354/">https://www.elexon.co.uk/mod-proposal/p354/</a>
6	Trade Reporting page on NETSO's website	<a href="https://extranet.nationalgrid.com/BSAD/">https://extranet.nationalgrid.com/BSAD/</a>
6	Balancing Mechanism Reporting Service (BMRS)	<a href="https://www.bmreports.com/bmrs/?q=help/about-us">https://www.bmreports.com/bmrs/?q=help/about-us</a>
6	Wider Access to the Balancing Mechanism Roadmap	<a href="https://www.nationalgrid.com/sites/default/files/documents/Wider%20BM%20Access%20Roadmap_FINAL.pdf">https://www.nationalgrid.com/sites/default/files/documents/Wider%20BM%20Access%20Roadmap_FINAL.pdf</a>
6	P344 'Project TERRE'	<a href="https://www.elexon.co.uk/mod-proposal/p344/">https://www.elexon.co.uk/mod-proposal/p344/</a>
7	Wider Access and TERRE implementation guidance	<a href="https://www.elexon.co.uk/change/releases/p344-implementation-guidance-project-terre-wider-access/">https://www.elexon.co.uk/change/releases/p344-implementation-guidance-project-terre-wider-access/</a>
7	Grid Trade Master Agreement (GTMA)	<a href="https://www.nationalgrideso.com/document/92431/download">https://www.nationalgrideso.com/document/92431/download</a>
7	European Balancing Guideline (EBGL)	<a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2017.312.01.0006.01.ENG&amp;toc=OJ:L:2017:312:TOC#d1e813-6-1">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2017.312.01.0006.01.ENG&amp;toc=OJ:L:2017:312:TOC#d1e813-6-1</a>
7	Commission Regulation (EU) 2017/1485 establishing a guideline on electricity transmission system operation	<a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2017.220.01.0001.01.ENG&amp;toc=OJ:L:2017:220:TOC#d1e1973-1-1">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2017.220.01.0001.01.ENG&amp;toc=OJ:L:2017:220:TOC#d1e1973-1-1</a>
18	National Grid ESO Data Portal	<a href="https://data.nationalgrideso.com/">https://data.nationalgrideso.com/</a>
19	BSCP602 'SVA Metering System Register'	<a href="https://www.elexon.co.uk/csd/bscp602/">https://www.elexon.co.uk/csd/bscp602/</a>
20	Elexon Portal	<a href="https://www.elexonportal.co.uk/news/latest?cachebust=cbpnuxz8w9">https://www.elexonportal.co.uk/news/latest?cachebust=cbpnuxz8w9</a>
22	P371 'Inclusion of non-BM Fast Reserve actions into the Imbalance Price calculation'	<a href="https://www.elexon.co.uk/mod-proposal/p371/">https://www.elexon.co.uk/mod-proposal/p371/</a>

External Links		
Page(s)	Description	URL
28	BSC Panel 308	<a href="https://www.elexon.co.uk/meeting/bsc-panel-307/">https://www.elexon.co.uk/meeting/bsc-panel-307/</a>